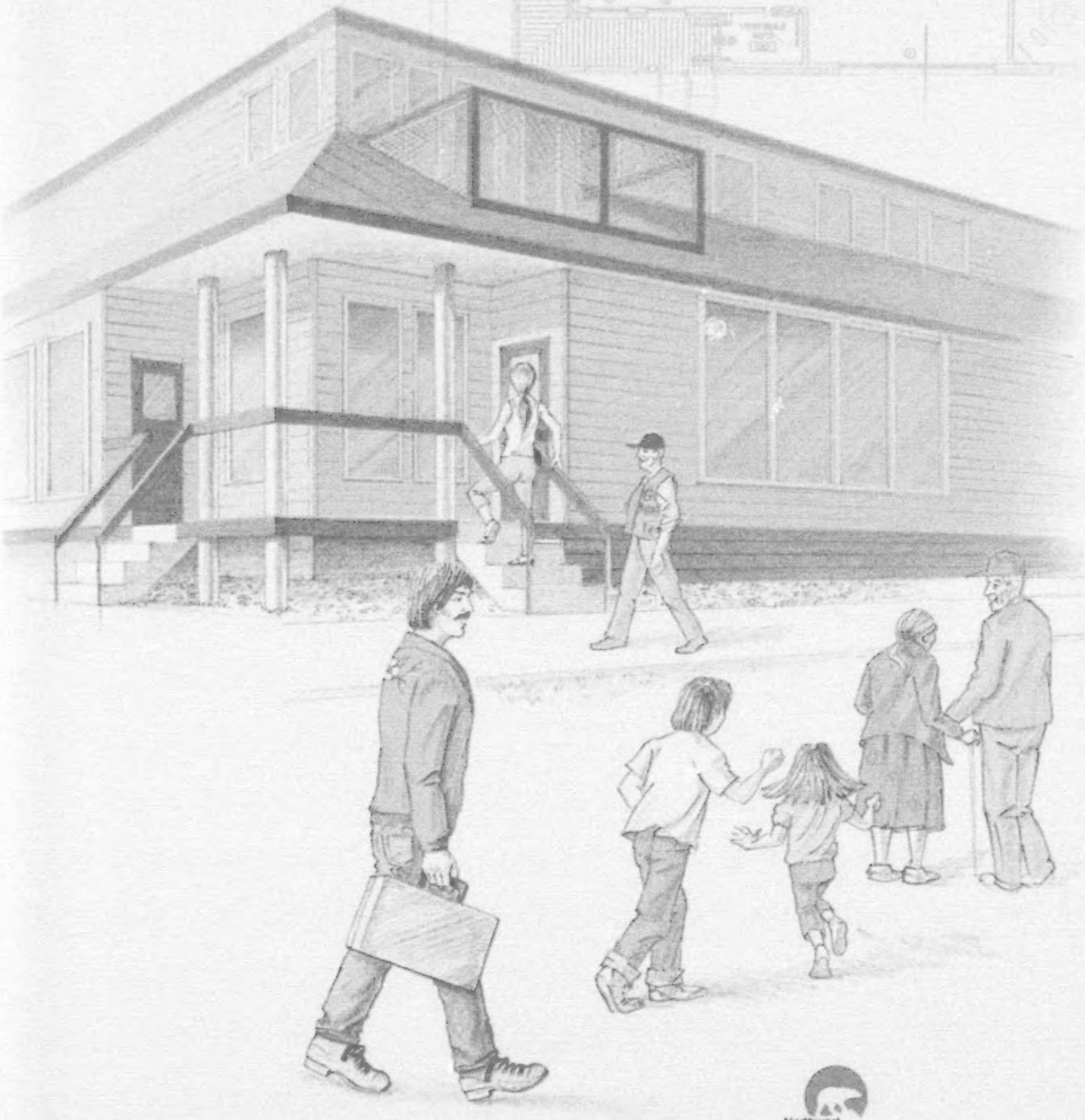
MACA Update • Fall 2006

The New Deal for
NWT Community Governments Edition



Blueprint and illustration, Fort McPherson Community Complex

Northwest Territories Municipal and Community Affairs

MACA UPDATE • 2006
TABLE OF CONTENTS

MINISTER'S MESSAGE 2
THE NEW DEAL FOR NWT COMMUNITY GOVERNMENTS 4
What will Change in 2007-2008? 4
WHAT'S NEW IN 2007-2008? 10
Community Government O&M Formula Projections 10
Other Community Government Funding Projections 12
2007-2010 Infrastructure Acquisition Plan 14
Capital Formula Funding Projections 20
Summary of MACA Funding 21
WHAT IS MACA DOING? 24
The New Deal for NWT Community Governments 24
OTHER INITIATIVES 29
Gas Tax Allocations, by Community 34
POLICY AND LEGISLATION INITIATIVES 36
APPENDIX A – Calculation of Community Government Operations and Maintenance Funding 38
APPENDIX B – How MACA Determines Forced Growth 39
APPENDIX C – Calculation of Capital Formula Funding 40
APPENDIX D – Calculation of Community Government Water and Sewage Services Funding 41
CONTACT INFORMATION 43

MINISTER'S MESSAGE

April 1, 2007 kicks off an exciting new era in the history of community governments in the Northwest Territories. On that date, implementation of the New Deal for NWT Community Governments will represent a major change in how Northwest Territories (NWT) communities do business.

Beginning in the 2007-2008 fiscal year, all NWT communities will assume full authority for decisions about community public infrastructure, and most communities will also assume full authority for property taxation. The Department of Municipal and Community Affairs (MACA) will support these changes by providing community governments with stable, long-term predictable funding for infrastructure development, and by ensuring that community governments benefit from revenues raised through property taxes.

This new approach represents the biggest shift in policy in the area of community governance since the Government of the Northwest Territories (GNWT) was established in 1967 and set up the first Department of Local Government to establish and support local governing authorities. More importantly, it responds to the desire for more local control that has been expressed at the community level many times over the past decades.

What's happened to date?

In 2001, MACA introduced a new approach to operations and maintenance (O&M) funding for community governments. Instead of telling communities how to spend their money, MACA now provides communities with formula funding that allows community governments to set local spending priorities.

But without the resources and flexibility to deal with capital requirements, community governments were still dependent on the GNWT for determining what infrastructure would be built in their communities – including setting priorities and deciding on the scope of projects.

In 2004, the Department announced its intent to move forward with the New Deal for NWT Community Governments. The first step was to change the legislative framework for community governments to broaden the scope of authority for communities. The new legislation, which came into force in 2004, also allows Hamlets, Charter Communities and Tlicho Community Governments to borrow in order to finance infrastructure.

In 2005, the New Deal was advanced through three key decisions by the GNWT:

- The Property Taxation Revenue Grant program was set up to give every community the full amount of property taxes collected within their community boundaries in the previous year;

- The funding for community public infrastructure was removed from the overall GNWT capital planning process and a separate budget was established, dedicated to community infrastructure needs; and

- The community public infrastructure budget was set at a stable level of $28 million per year, beginning in 2006-2007 – an increase of $11 million over the historic annual average.

What will be new in 2007-2008?

- Beginning on April 1, 2007, MACA will provide community governments with formula funding for infrastructure development. Your community governments will establish capital investment plans, make decisions about priority projects, decide on the scope and timing of those projects, and determine how to finance them. More information on the amounts of funding that will be provided can be found in this document.

- Beginning on January 1, 2008, 18 communities that are today considered "non-tax-based" will become responsible for the collection of property taxes. Your community governments will retain property tax revenues and have the authority to raise mill rates to increase local revenues.

- MACA has also updated the O&M funding formula, and the Water and Sewage Services Subsidy Policy, and increased the overall budget in both these areas. More information on these changes are also provided in this document.

Your community government will receive three funding streams, and sign three funding agreements with MACA, for infrastructure funding, O&M funding, and support for water and sewage services. This will allow MACA and communities to monitor the effectiveness of our new policies, and identify changes that may be required.

MACA's programs and services will be changing, too. We want to ensure that the support and technical resources that your community governments need to succeed are in place.

This Special Edition of the MACA Update explains in more detail the policy and funding changes outlined above. It provides you with financial projections for all three funding streams for the 2007-2008 fiscal year. It also outlines some of the changes in MACA's operations that will help to support communities as you take on expanded authorities.

As a former Mayor, I know that community governments will welcome these changes, and will take on the challenges of these new authorities with enthusiasm.

Michael McLeod
Minister of Municipal and Community Affairs

THE NEW DEAL FOR NWT COMMUNITY GOVERNMENTS

WHAT WILL CHANGE IN 2007-2008?

Capital Formula Funding

In 2007-2008, community governments will assume full authority for all aspects of community public infrastructure, including planning, financing, project management and maintenance. MACA will no longer provide for community public infrastructure on a "per project" basis and the GNWT will no longer own capital assets that support the delivery of municipal services.

MACA will continue to provide assistance, advice and support to communities and will provide capital funding directly to communities starting in 2007-2008 using a "base plus" approach, comprised of a base amount and the reminder being allocated through a formula. Each community will receive two percent of the total available fund of $28 million; this equates to $560,000 per community as a base amount. The remainder of the $28 million will be allocated using a formula which links the current replacement value for the community's infrastructure to the community's population. The benefits of the formula are that it recognizes the core infrastructure of requirements of all communities and the economies of scale that can be realized by larger communities.

Appendix C outlines the calculations used to determine capital formula funding starting in 2007-2008.

Property Taxation Authority

On January 1, 2008, all charter communities, hamlets and Tlicho communities will be designated as Municipal Taxation Authorities under the New Deal for NWT Community Governments. This means that charter communities, hamlets and Tlicho communities will have the authority to levy property taxes within their municipal boundaries, and will benefit from being able to raise own-source revenues for use within the community, depending on community priorities.

Authority for property taxation includes responsibility for administration of the system, including setting mill rates for various classes of properties, developing property classes, collecting property taxes, and establishment of a Municipal Board of Revision so property owners have a vehicle through which to appeal the assessed value of their properties. Because of the highly technical nature and cost of providing property assessment services, community governments will not be responsible for providing this service. The GNWT will continue to provide property assessment services to community governments for the foreseeable future.

MACA is currently looking at options to assist communities to transition to becoming a Municipal Taxation Authority, including options for administrative taxation systems and Boards of Revision. Some of the options being explored include:

- A system where the GNWT continues to provide services such as creating the taxation roll, sending out taxation notices, collecting taxes in arrears, on a user-pay basis to communities;
- A regional system independent of the GNWT where groups of communities join together to create their own administrative taxation system, but share the costs and the workload among themselves;
- A system where an independent third-party service provider administers the taxation system, on a fee-for-service basis, to all new Municipal Taxation Authorities.

Regardless of the type of administrative taxation system a community wishes to adopt, MACA will continue to provide advice and support to community governments as they assume this new responsibility.

Operations and Maintenance Funding

MACA currently provides funding to community governments for operations and maintenance (O&M) through the Formula Funding Policy. In January 2005, MACA conducted a stakeholder review to gauge community governments' satisfaction with the O&M funding policy. The review, which included interviews with all community governments, found that the majority of community governments are generally satisfied with the way the Formula Funding Policy allocates funding to community governments. In light of the survey results and the pending implementation of the New Deal, the factors used to allocate O&M funding were reviewed and only the following minor amendments will be made to the policy:

- Eliminate the formula distinction between hamlets/charter communties/Tlicho communities and cities/towns and villages – all will become taxation authorities with comparable responsibilities; and
- Use a percentage of NWT population rather than absolute population in the funding formula to reduce the impact of population changes on funding allocations.

The Northern Cost Index (NCI) has also been updated and is used to calculate the 2007-2008 O&M funding projections. The Northern Cost Index is a factor that adjusts the funding allocation to reflect the differing cost of community government goods and services in NWT communities. This factor has not been reviewed since 2001, and the update will result in changes in the allocation of formula funding among communities.

Appendix A outlines the detailed calculations used to determine O&M funding starting in 2007-2008.

Water and Sewage Services Funding

Currently, MACA provides funding to community governments to assist with the cost of providing water and sewage services through the Water and Sewage Services Subsidy Policy. The funding provided to community governments under the Policy has not increased since 1996 and does not reflect the costs incurred by communities to provide this service. The existing policy is also problematic because it does not provide funding to all communities, it is based on overly complex formulas and it no longer reflects the various water and sewage systems used in Northwest Territories' communities. MACA has developed a new funding allocation model to replace the one used in the Water and Sewage Services Subsidy Policy.

The new water and sewer policy is based on a "standard cost allocation" model, and will provide funding to communities for the difference between the standard fixed costs of operating the various types of water and sewage systems and the potential revenues, taking into account community-specific costs for fuel and power.

MACA has received approval to proceed with the new methodology and to increase the funding provided to community governments for water and sewage services by $2.9 million. This increase has been reflected in the community funding allocations listed in Section 3. MACA's total budget for water and sewage services, which will be provided directly to community governments, will be $9.8 million in 2007-2008 (subject to Legislative Assembly approval). The new model has been used to calculate the community funding allocations listed in the "Other Community Government Funding Projections" section.

Even though MACA has received approval to increase the overall funding provided to community governments for water and sewage services, some community governments will receive less funding than they received under the previous funding allocation model. The reason for the decrease is that the new model takes into account the ability of communities with larger populations to raise revenues to support the fixed costs of water and sewage services.

MACA is in the process of revising the Water and Sewage Services Subsidy Policy to reflect the new standard cost allocation model. The new policy will also outline how the funding will be provided, including how the policy will be reviewed and adjusted for inflationary factors and the reporting requirements of community governments.

Appendix D outlines the detailed calculations used to determine water/sewer funding starting in 2007-2008.

New Deal Implementation and Transition

MACA recognizes that communities have different challenges and needs related to all areas of their operations, and will require different levels of support, advice and assistance during implementation of the New Deal. Some communities have capital plans, and all of the necessary contracting frameworks in place to proceed with capital planning immediately. Other communities may need substantial assistance to meet their financial challenges and to build staff capacity before they can fully take advantage of all aspects of the New Deal.

As a result, MACA has established support teams within the Department to assist each community in developing a detained implementation plan. These teams will be able to provide numerous tools and templates to assist communities in all aspects of implementation from identifying training needs, finding solutions to financial management issues, creating capital investment plans and providing support to Council and staff.

MACA is working on creating a resource library – which will likely be both paper and web-based – that will contain templates and other tools to assist communities during their transition. These tools may include but are not limited to community self assessment tools, information on training and capacity building opportunities, templates of contract procedures, documents and processes, and templates of planning tools.

It is important to note that implementation of the New Deal will not happen immediately on April 1, 2007 for all communities. The capital formula funding will begin in April 2007, and key changes and policies will be in place to proceed, but full implementation may take up to five years or longer, as individual communities deal with current issues (such as hiring a senior administrative officer, or getting themselves in a healthy financial position) before being able to fully participate in the authorities related to the New Deal.

MACA is committed to putting the appropriate implementation and transition framework in place and to work with individual communities as required. Please contact your Regional Superintendent if there is any specific training, tool or other assistance you need from MACA. The Department is committed to working with each community to make implementation of the New Deal a success for the residents of the Northwest Territories.

Planning Conferences

MACA is providing support to community governments to transition to the New Deal by hosting two key conferences in the fall of 2006 and spring of 2007. The purpose of the conferences is to prepare communities and move forward with the implementation of the New Deal for NWT Community Governments and to assist in achieving the objectives of the Gas Tax Agreement.

In November 2006, MACA in partnership with the Northwest Territories Association of Communities and the Arctic Energy Alliance will be holding a Sustainable Planning Conference. This conference will take place in Yellowknife from November 22 to 24, 2006 and will focus on the concept of integrated community sustainability plans and the development of the Northwest Territories template.

The conference will include one full day on community energy planning as well as break-out sessions on capital investment plans, innovation in project design, information on private sector support, etc.

To build on the momentum from the November 2006 conference MACA is coordinating the *Strengthening Communities Conference* which will take place in Yellowknife on April 11 and 12, 2007. Its focus is to assist in preparing community governments for formal implementation of the New Deal, specifically the changing roles and responsibilities of communities and their councils. The conference will also provide the venue for the final approval of planning templates required as a condition of the Gas Tax Funding. Finally, the conference will provide community government representatives the opportunity to network and gather resources that support good governance and the transition to New Deal implementation.

An organizing committee, comprised of MACA staff and representatives from territorial and Aboriginal organizations, other GNWT departments and federal departments, is responsible for the agendas of both conferences. Please contact your MACA Regional Superintendent or Sharon Morrison at (867) 920-6167 or sharon_morrison@gov.nt.ca if you require additional information or would like to participate on the organizing committee.

Baseline Assessment of Community Infrastructure

MACA is conducting a physical assessment of all community public infrastructure in the Northwest Territories in order to gain a better understanding of the condition of the existing community assets and to assist communities in the preparation of their community-specific capital investment plans. The assessment includes the documentation of assets in each community, but does not include mobile equipment, assets that are less than a year old or water treatment facilities where the Department of Public Works and Services has recently conducted an assessment.

The final reports are expected in winter 2007 and will be distributed by MACA regional staff to community governments once complete. MACA regional staff will work with communities on an individual basis to review the reports and create a capital investment plan which identifies the community's priorities and addresses any deficiencies identified in the assessments. The reports will be provided both in print and updateable electronic format.

Having the assessments in electronic form will enable communities to update the data in the assessments with the changes made to the community's infrastructure and use this information to prepare the community's future year capital investment plans.

Evaluation of the New Deal for NWT Community Governments

The New Deal is a major policy shift from the status quo. But how will we know if its goals are being achieved? What information should we use to decide whether or not changes in our approach are needed?

MACA has started preliminary work on developing measures and indicators to gauge the effectiveness of the New Deal. An evaluation framework will help the GNWT and community governments to identify innovations that have succeeded, and can be shared among NWT communities and elsewhere. It will also help us find areas where the initiative has not succeeded, and where we need to change our approach to improve the success of the program.

MACA is in the initial stages of development of the evaluation framework and will consult with the primary stakeholders of the New Deal – community governments – as we refine our approach.

For more information on the New Deal for NWT Community Governments, contact newdeal@gov.nt.ca

COMMUNITY GOVERNMENT O&M FORMULA PROJECTIONS [1]

The following table provides information on the amount of formula funding each community is projected to receive in 2007-2008, 2008-2009 and 2009-2010. Please note that these projections include forced growth funding of approximately $4 million starting in 2007-2008.

Community	Approved 2006-2007	Proposed 2007-2008	Proposed 2008-2009
Aklavik	1,059,000	1,217,000	1,217,000
Behchoko	1,315,000	1,425,000	1,425,000
Colville Lake	672,000	554,000	554,000
Deline	1,012,000	1,182,000	1,182,000
Dettah	349,000	376,000	376,000
Enterprise	279,000	347,000	347,000
Fort Good Hope	1,019,000	1,164,000	1,164,000
Fort Liard	1,041,000	997,000	997,000
Fort McPherson	1,121,000	1,219,000	1,219,000
Fort Providence	1,056,000	1,049,000	1,049,000
Fort Resolution	493,000	619,000	619,000
Fort Simpson	938,000	1,230,000	1,230,000
Fort Smith	1,134,000	1,413,000	1,413,000
Gameti	926,000	944,000	944,000
Hay River	1,397,000	1,788,000	1,788,000
Hay River Reserve	365,000	427,000	427,000
Inuvik	1,646,000	2,120,000	2,120,000
Jean Marie River	436,000	392,000	392,000
Kakisa	344,000	324,000	324,000
Lutselk'e	558,000	562,000	562,000

COMMUNITY GOVERNMENT O&M FORMULA PROJECTIONS [1]

Community	Approved 2006-2007	Proposed 2007-2008	Proposed 2008-2009
Nahanni Butte	455,000	419,000	419,000
Norman Wells	539,000	915,000	915,000
Paulatuk	1,093,000	1,283,000	1,283,000
Sachs Harbour	902,000	1,157,000	1,157,000
Trout Lake	384,000	406,000	406,000
Tsiigehtchic	988,000	1,115,000	1,115,000
Tuktoyaktuk	1,193,000	1,400,000	1,400,000
Tulita	993,000	1,264,000	1,264,000
Ulukhaktok	1,090,000	1,241,000	1,241,000
Wekweeti	944,000	793,000	793,000
Whati	1,131,000	1,185,000	1,185,000
Wrigley	448,000	476,000	476,000
Yellowknife	5,696,000	6,068,000	6,068,000
Total	33,016,000	37,071,000	37,071,000

Notes for Community Formula Funding Projections

1. All funding is subject to the approval of the Legislative Assembly.
2. The 2006-2007 figures use 2003 population, 2003 infrastructure and 2000 Northern Cost Index (NCI) data. The 2007-2008, 2008-2009 and 2009-2010 figures use 2004 population, 2005 infrastructure, 2004 NCI data and include forced growth of $4 million.
3. Please refer to Appendix A and B for information on how the O&M funding is calculated and how MACA determines forced growth.

OTHER COMMUNITY GOVERNMENT FUNDING PROJECTIONS [1]

The following table provides information on the amount of other operations and maintenance funding community governments are projected to receive in 2007-2008. Please note that the figures for water and sewer include forced growth funding of approximately $2.9 million starting in 2007-2008.

Community	Water and Sewer [2] Proposed 2007-2008	Additional Insurance Funding [3]	Mobile Equipment Funding	Utility Funding	Seniors/ Disabled Property Tax [4]	Grant-in-lieu [4]
Aklavik	460,865	23,935	-	-	-	-
Behchoko	703,459	36,824	-	-	-	-
Colville Lake	261,930	-	5,875	190,253	-	-
Deline	337,363	20,149	-	-	-	-
Dettah	170,911	-	8,281	58,737	-	-
Enterprise	137,489	4,159	14,717	955	-	-
Fort Good Hope	340,709	23,935	-	-	-	-
Fort Liard	440,199	19,826	-	-	-	-
Fort McPherson	595,493	21,206	-	-	-	-
Fort Providence	396,208	24,105	-	-	-	-
Fort Resolution	440,731	-	26,650	-	-	-
Fort Simpson	507,555	49,861	-	-	2,976	220,000
Fort Smith	208,460	75,995	-	-	34,282	583,000
Gameti	257,976	-	-	-	-	-
Hay River	414,712	91,633	-	-	67,611	390,000
Hay River Reserve	214,070	-	46,748	33,398	-	-
Inuvik	407,901	62,577	-	-	24,045	1,072,000
Jean Marie River	192,887	-	33,590	115,205	-	-
Kakisa	142,992	-	27,434	25,748	-	-
Lutselk'e	201,315	-	41,804	100,001	-	-

OTHER COMMUNITY GOVERNMENT FUNDING PROJECTIONS [1]

Community	Water and Sewer Proposed [2] 2007-2008	Additional Insurance Funding [3]	Mobile Equipment Funding	Utility Funding	Seniors/ Disabled Property Tax [4]	Grant-in-lieu [4]
Nahanni Butte	178,183	-	36,169	130,122	-	-
Norman Wells	342,762	49,253	-	-	1,309	68,000
Paulatuk	249,473	17,906	-	-	-	-
Sachs Harbour	215,072	17,310	-	-	-	-
Trout Lake	205,340	-	45,409	22,161	-	-
Tsiigehtchic	201,962	16,061	-	-	-	-
Tuktoyaktuk	452,136	31,968	-	-	-	-
Tulita	282,069	14,628	-	-	-	-
Ulukhaktok	222,408	29,743	-	-	-	-
Wekweeti	210,167	-	-	-	-	-
Whati	281,881	19,827	-	-	-	-
Wrigley	139,867	-	29,375	134,609	-	-
Yellowknife	-	359,145	-	-	113,677	2,210,000
Total	9,814,545	1,010,046	316,050	811,189	243,900	4,543,000

Notes for Other Community Funding Projections

1. All funding is subject to Legislative Assembly approval.
2. Figures reflect the change in allocation methodology from a subsidy approach to an approach based on providing funding for standard costs. Please refer to Appendix D for information on the new methodology.
3. Figures reflect the ongoing insurance costs of community governments, but do not include additional insurance for community governments who are members of NORCIX. MACA will seek to secure on-going NORCIX funding for communities as part of the 2007-2008 Main Estimates development and approval process.
4. Figures are proposed budget amounts in 2007-2008. Actual amounts will be invoiced from the eligible communities.

2007-2010 INFRASTRUCTURE ACQUISITION PLAN [1] [2]
(THOUSANDS OF DOLLARS)

Project	Community
Formula Funding	All
Dozer	Aklavik
Road Erosion Protection	Aklavik
Water Treatment Plant Upgrade	Aklavik
Arena/Gym/Swimming Pool	Behchoko
Garbage Truck	Behchoko
Intake/Pumphouse (Edzo)	Behchoko
Lagoon Upgrade	Behchoko
Reservoir Upgrade	Behchoko
Reservoir/Pumphouse Replacement	Behchoko
Sewage Hold Vault/Lift Station (Vault Upgrades Rae Edzo)	Behchoko
Sewage Lagoon (Rae)	Behchoko
Sewage Lift Station- (Edzo)	Behchoko
Solid Waste Disposal Site	Behchoko
Vault Replacement	Behchoko
Water Treatment Plant (Rae)	Behchoko
Water Treatment Plant Upgrade (Edzo)	Behchoko
Water/Sewer Main Replacement	Behchoko
Community Office (Assembly)	Colville Lake
Sewage Disposal Site	Colville Lake
Water Supply	Colville Lake
Deline Truckfill Upgrade/Replacement	Deline
Solid Waste Site Relocation	Deline
Community Hall/Gym Multi	Dettah
Solid Waste Disposal Site	Dettah
Water Treatment Plant Upgrade with the City	Dettah
Loader	Enterprise
Solid Waste Disposal Site	Enterprise
Community Office/Hall Retrofit	Fort Good Hope
Remediation of old solid waste site	Fort Good Hope
Sewage Lagoon	Fort Good Hope
Water Treatment Plant Upgrade	Fort Good Hope
Firehall	Fort Liard
Maintenance Garage	Fort Liard
Firehall	Fort McPherson
Hamlet Office	Fort McPherson

2007-2010 INFRASTRUCTURE ACQUISITION PLAN [1] [2]
(THOUSANDS OF DOLLARS)

2006-2007						
Main Estimates Budget	Revised Budget	2007-2008	2008-2009	2009-2010	Future Years	Total
-	-	22,592	28,000	28,000	56,000	134,592
220	220	-	-	-	-	220
100	150	50	-	-	-	200
200	1,515	600	150	5	-	2,270
5	827	-	-	-	-	827
-	150	-	-	-	-	150
1,075	1,209	-	-	-	-	1,209
60	-	-	-	-	-	-
225	-	-	-	-	-	-
700	874	5	-	-	-	879
-	84	-	-	-	-	84
-	160	-	-	-	-	160
-	128	-	-	-	-	128
3	640	-	-	-	-	640
300	1,230	-	-	-	-	1,230
240	2,289	-	-	-	-	2,289
800	1,080	-	-	-	-	1,080
320	770	404	-	64	-	1,238
150	28	-	-	-	-	28
400	690	-	-	-	-	690
400	1,687	290	-	-	-	1,977
225	866	300	10	-	-	1,176
350	1,009	-	-	-	-	1,009
200	-	-	-	-	-	-
100	-	-	-	-	-	-
-	-	-	-	-	-	-
-	150	-	-	-	-	150
20	-	-	-	-	-	-
225	3,022	-	-	-	-	3,022
120	160	-	-	-	-	160
70	-	-	-	-	-	-
10	3,173	-	-	-	-	3,173
600	605	-	-	-	-	605
500	525	-	-	-	-	525
10	10	-	-	-	-	10
1,100	1,110	-	-	-	-	1,110

2007-2010 INFRASTRUCTURE ACQUISITION PLAN [1] [2]
(THOUSANDS OF DOLLARS)

Project	Community
Solid Waste Site	Fort McPherson
Water Treatment Plant	Fort McPherson
Fire Truck	Fort Providence
Pool Remediation	Fort Providence
Water Treatment Plant Upgrade	Fort Providence
Arena and Community Hall Improvements	Fort Resolution
Sewage Solid Waste Site Redevelopment	Fort Resolution
Fort Simpson (MRIF Project)	Fort Simpson
Fort Smith (MRIF Project)	Fort Smith
Filtration Upgrade	Gameti
Gym Replacement	Gameti
Sewage/Solid Waste Disposal Site	Gameti
Water Truck	Gameti
Hay River (MRIF Project)	Hay River
Community Hall Foundation Repairs	Hay River Reserve
Inuvik Woodbox Utilidor Replacement	Inuvik
Dozer	Jean Marie River
Fire Hall	Jean Marie River
Loader	Jean Marie River
Treatment Plant Upgrade	Jean Marie River
Arena	Lutselk'e
Community Hall	Lutselk'e
Filtration Upgrade	Lutselk'e
Intake & Truck Fill Repairs	Lutselk'e
Sewage Lagoon Improvements	Lutselk'e
Gym	Nahanni Butte
Water Treatment Plant/Truck fill Station- Upgrade	Nahanni Butte
Filtration Upgrade	Paulatuk
Fire Truck	Paulatuk
Road erosion	Paulatuk
Fire Truck Modification	Sachs Harbour
Intake Repair	Sachs Harbour
Loader	Sachs Harbour
MRIF Innovation Fund	Tax Base
New Deal - Community Public Infrastructure	Tax Base
Water and Sewer	Tax Base

2007-2010 INFRASTRUCTURE ACQUISITION PLAN [1] [2]

(THOUSANDS OF DOLLARS)

2006-2007						
Main Estimates Budget	Revised Budget	2007-2008	2008-2009	2009-2010	Future Years	Total
-	35	-	-	-	-	35
50	-	-	-	-	-	-
240	240	-	-	-	-	240
-	34	-	-	-	-	34
50	-	-	-	-	-	-
-	165	-	-	-	-	165
-	290		-	-	-	290
864	864	-	-	-	-	864
-	-	-	1,398	-	-	1,398
30	19	-	-	-	-	19
1,000	1,139	1,200	10	-	-	2,349
5	3	-	-	-	-	3
130	130	-	-	-	-	130
1,196	1,196	463	-	-	-	1,659
25	119	-	-	-	-	119
427	427	732	-	-	-	1,159
-	240	-	-	-	-	240
-	23	-	-	-	-	23
-	169	-	-	-	-	169
175	44	-	-	-	-	44
10	415	-	-	-	-	415
-	30	-	-	-	-	30
45	-	-	-	-	-	-
-	14	-	-	-	-	14
-	30	-	-	-	-	30
200	278	1,460	1,411	16	-	3,165
10	1,234	-	-	-	-	1,234
40	21	-	-	-	-	21
-	240	-	-	-	-	240
200	320	-	-	-	-	320
-	35	-	-	-	-	35
-	847	440	-	-	-	1,287
-	220	-	-	-	-	220
690	1,180	726	889	-	-	2,795
3,000	3,000	-	-	-	-	3,000
-	-	-	-	-	-	-

2007-2010 INFRASTRUCTURE ACQUISITION PLAN [1] [2]
(THOUSANDS OF DOLLARS)

Project	Community
Community Infrastructure Assessment	Territorial
Granular Materials	Territorial
Land Development Fund	Territorial
Main Street Chip Sealing Non Tax Based Communities	Territorial
New Deal Community Public Infrastructure (Unallocated)	Territorial
Trails Development	Territorial
Dozer	Trout Lake
Firehall	Trout Lake
Sewage Lagoon Upgrade	Trout Lake
Treatment Plant Upgrade	Trout Lake
Grader	Tsiigehtchic
Maintenance Garage / Parking Garage	Tsiigehtchic
Solid Waste Site Extension	Tsiigehtchic
Water Treatment Plant	Tsiigehtchic
Community Office Upgrade	Tuktoyaktuk
Filtration Upgrade	Tuktoyaktuk
Fire Hall Upgrade	Tuktoyaktuk
Grader	Tuktoyaktuk
Kudlak Lake Evaluation	Tuktoyaktuk
Replace/Repair Water Fill line	Tuktoyaktuk
Above Ground Pool	Tulita
Assessment Intake Stability	Tulita
Maintenance/Parking Garage Retrofit	Tulita
Bridge	Ulukhaktok
Community Office	Ulukhaktok
Filtration Upgrade	Ulukhaktok
Maintenance Garage	Ulukhaktok
GIS Development	Various
Filtration Upgrade	Wekweeti
Fire Truck	Wekweeti
Solid Waste Disposal Site	Wekweeti
Community Hall	Whati
Water Treatment Plant/Truck fill Station Retrofit	Wrigley
Yellowknife Corrugated Metal Pipe Replacement	Yellowknife
Total	

Notes for Infrastructure Acquisition Plan
1. All funding is subject to Legislative Assembly approval.
2. Figures in 2007-2008 and beyond reflect the new formula to determine allocations for capital funding. Please refer to Appendix C for information on the new methodology.

2007-2010 INFRASTRUCTURE ACQUISITION PLAN [1] [2]

(THOUSANDS OF DOLLARS)

2006-2007 Main Estimates Budget	2006-2007 Revised Budget	2007-2008	2008-2009	2009-2010	Future Years	Total
-	182	-	-	-	-	182
250	450	-	-	-	-	450
300	347	-	-	-	-	347
1,000	1,434	-	-	-	-	1,434
7,652	-	-	-	-	-	-
250	250	-	-	-	-	250
220	220	-	-	-	-	220
5	290	-	-	-	-	290
-	10	-	-	-	-	10
450	47	-	-	-	-	47
240	240	-	-	-	-	240
70	-	-	-	-	-	-
244	3	-	-	-	-	3
-	57	-	-	-	-	57
-	650	-	-	-	-	650
225	2,707	144	1,133	5	-	3,989
-	139	-	-	-	-	139
240	240	-	-	-	-	240
-	532	-	-	-	-	532
-	100	-	-	-	-	100
400	415	-	-	-	-	415
-	25	-	-	-	-	25
100	-	-	-	-	-	-
375	-	-	-	-	-	-
200	364	40	-	-	-	404
225	1,542	400	-	-	-	1,942
150	75	-	-	-	-	75
-	394	-	-	-	-	394
30	20	-	-	-	-	20
-	135	-	-	-	-	135
250	10	-	-	-	-	10
-	172	-	-	-	-	172
200	65	-	-	-	-	65
1,288	1,288	2,297	1,995	-	-	5,580
31,479	49,764 *	32,143	34,996	28,090	56,000	200,993

*Total includes 2006-2007 Main Estimates budget, as well as funding associated with 2005-2006 carry-over projects.

CAPITAL FORMULA FUNDING PROJECTIONS [1]

Community	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Five Year Plan
Aklavik	664	823	823	823	823	3,957
Behchoko	836	1,036	1,036	1,036	1,036	4,979
Colville Lake	544	675	675	675	675	3,243
Deline	653	809	809	809	809	3,889
Dettah	572	708	708	708	708	3,405
Enterprise	522	647	647	647	647	3,108
Fort Good Hope	649	805	805	805	805	3,867
Fort Liard	658	815	815	815	815	3,918
Fort McPherson	697	864	864	864	864	4,151
Fort Providence	699	866	866	866	866	4,163
Fort Resolution	645	799	799	799	799	3,841
Fort Simpson	761	943	943	943	943	4,535
Fort Smith	899	1,114	1,114	1,114	1,114	5,355
Gameti	593	735	735	735	735	3,535
Hay River	1,016	1,260	1,260	1,260	1,260	6,055
Hay River Reserve	594	736	736	736	736	3,536
Inuvik	993	1,231	1,231	1,231	1,231	5,917
Jean Marie River	517	641	641	641	641	3,079
Kakisa	500	620	620	620	620	2,978
Lutselk'e	619	768	768	768	768	3,690
Nahanni Butte	536	665	665	665	665	3,195
Norman Wells	701	869	869	869	869	4,175
Paulatuk	597	740	740	740	740	3,557
Sachs Harbour	539	668	668	668	668	3,209
Trout Lake	522	647	647	647	647	3,108
Tsiigehtchic	561	696	696	696	696	3,345
Tuktoyaktuk	725	899	899	899	899	4,321
Tulita	637	789	789	789	789	3,792
Ulukhaktok	623	772	772	772	772	3,709
Wekweti	545	675	675	675	675	3,245
Wha Ti	636	788	788	788	788	3,787
Wrigley	559	692	692	692	692	3,328
Yellowknife	1,783	2,210	2,210	2,210	2,210	10,624
Total	22,592	28,000	28,000	28,000	28,000	134,592

Notes for capital formula funding projections:
1. All funding is subject to Legislative Assembly approval.

SUMMARY OF MACA FUNDING

Funding Program	2007-2008 Budget	Comments
Capital Formula Funding	$23 million for all NWT communities	Funding will be provided via a funding formula starting in 2007-2008.
O&M funding	$37 million for all NWT communities	Funding to community governments for operations and maintenance costs.
Water and Sewer Funding	$9.8 million for eligible NWT communities	Funding to provide for standard operational costs.
Property Taxation Revenue Grant Program	$350,000 for Hamlets, Charter Communities and Tlicho Communities	Three year interim program (2005-2006, 2006-2007 and 2007-2008) until communities are designated Municipal Taxation Authorities on January 1, 2008. Grant is provided to most non-taxed-based communities equal to the property tax revenue collected from ratepayers in the community in the prior taxation year.
Insurance Funding	$1 million in base funding for all communities except bands and settlements; and $800,000 additional for communities who are members of NORCIX	Funding to assist communities with their insurance premium costs.

Utility Funding	$800,000 for utility costs for community public infrastructure located in band and settlement communities. CPI in band and settlement communities is owned by the GNWT.	MACA provides funding directly to community governments, who are directly responsible for paying their utility costs.
Gas Tax Agreement	$37.5 million over five years for all NWT communities	See the "Gas Tax Agreement" section of this document for community government allocations and reporting requirements.
Municipal Rural Infrastructure Fund	$15 million over five years starting in 2003-2004	Funding for water, wastewater and solid waste projects. Cost shared program with communities (50-50 basis for non tax-based, 1/3-1/3-1/3 for tax-based). Projects appear in MACA's capital plan.
Sport and Recreation Funding	• $450,000 for the NWT Council of Sport and Recreation Partners • $80,000 for the High Performance Grant Program • $825,000 for contributions to eligible community governments for Sport and Recreation initiatives	Core funding Application based Formula allocation
Volunteer Funding	$20,000 to assist non-profit non-government agencies with training for volunteers.	Application based

Youth Funding	• $750,000 for the Youth Corps Program, which provides funding for eligible organizations to support programs for youth • $150,000 for the Youth Contributions Program – provides funding for eligible youth initiatives.	Application based Application based
Community Initiatives Program	$1,000,000 for funding to address community priorities for healthy lifestyles	Application based
Community Development Funding	$575,000 in funding for eligible organizations for community development initiatives.	Application based
Association Funding	$390,000 in contribution funding to NWT Association of Communities, Local Government Administrators of the NWT, Arctic Energy Alliance and other organizations who work in partnership to achieve the department's mission and goals.	Core funding

WHAT IS MACA DOING?

THE NEW DEAL FOR NWT COMMUNITY GOVERNMENTS

This section of the MACA Update provides information on what MACA is doing to prepare for the New Deal, what will change, and when, and how the change will benefit communities. This information will also help MACA and community governments track progress and will also serve as the basis for MACA to report to community governments on the achievement of activities.

Activities:
MACA will transfer authority for responsibility for community public infrastructure to community governments, and provide capital funding on a formula basis.

What does MACA have to do to make this happen?

- Develop a funding formula to allocate MACA's capital budget to communities
- Establish a stable, predictable funding pot for community infrastructure, separate from the GNWT's overall capital budget
- Develop a policy framework to guide how funding is provided to community governments
- Provide access to NWT community governments to investment pools low-cost borrowing
- Provide project management and capital planning support to communities
- Develop new training programs for community governments and staff
- Conduct an up-to-date assessment of all community infrastructure so community governments have complete information

What will change?

- MACA will no longer make decisions about what facilities get built in communities
- Community governments will make decisions about what facilities are built and set priorities
- Community governments will choose the project management approach that works best for their community
- Community governments will make decisions on project scope, financing and scheduling

How will this benefit communities?

- Communities will have access to a stable, predictable source of funding that can be used as the basis for planning–this will allow community governments to borrow to finance infrastructure projects
- Projects that are community priorities will be built when the communities want them
- Communities will have more flexibility in financing projects, entering into partnerships, and changing project plans

When will this happen?

- Between the fall of 2006 and April 2007, MACA will be working with each community to prepare the communities' first capital investment plans.
- Partial capital funding will be provided in April 2007.
- Full capital funding will begin in April 2008 and continue each year after.

Activities:
MACA will transfer ownership of community public infrastructure, and the associated parcel of land, to community governments.

What does MACA have to do to make this happen?

- Create an inventory of community land and assets for each community, and work with communities to make sure the listing is accurate
- Assist communities with the passing of the appropriate bylaws for communities to acquire the lands associated with community assets
- Negotiate with affected parties where community assets are located on privately owned lands
- Identify any known environmental liabilities associated with assets and determine the impact of such liabilities on community governments
- Enter into care and custody agreements for community infrastructure with those community governments that cannot own real property (i.e. Bands and Settlements)
- Determine insurance implications of transferring assets to community governments

What will change?

- For many communities, there will be no noticeable change; most community governments already own all the community public infrastructure but the ownership may not ever have been formalized
- Community governments will have ownership of all community public infrastructure including the associated land

How will this benefit communities?

- Community governments will have certainty about who owns the assets
- Community governments will be better able to secure loans to construct additions or to renovate existing community buildings
- Community governments will be in a better position to enter into joint ventures or partnerships for the sharing of assets or the renovation of existing buildings

When will this happen?

- MACA will begin consulting with community governments in the spring of 2007
- The formal transfer of assets and land will occur starting in 2007.

Activities:
MACA will transfer responsibility capital project planning and construction to community governments.

What does MACA have to do to make this happen?

- Develop capital planning training courses and deliver in each region
- Develop and deliver maintenance management courses to help extend life of existing community infrastructure
- Deliver training sessions to community government councils on new roles and responsibilities of community government councils
- Deliver presentation to NWT architectural and engineering firms on the New Deal and how it will impact their business
- Explore options to provide community governments with access to engineering and other technical support
- Provide training to MACA employees to ensure they have the knowledge and skills needed to assist community government in taking on this new responsibility

What will change?

- Community governments will plan and set priorities about what facilities are built in the community
- Community governments will choose the project management approach that works best for their community
- Community governments will make decisions on project scope, financing and scheduling

How will this benefit communities?

- Community governments will get to choose which projects are a priority to them and build them when they want
- Community governments will have the option to make smaller regular investments in their infrastructure instead of large scale retrofits or replacement of infrastructure
- Community governments will be able to enter into partnerships and joint ventures with other governments or private industry to achieve their infrastructure goals
- Community governments will be able to use project management practices that are more flexible and cost effective than those uses by the GNWT

When will this happen?

- MACA will begin working with community governments to develop their first capital investment plan in the winter of 2007.
- Effective April 2007 and beyond, MACA will provide support and assistance on capital project management on a community-by-community basis

Activities:
MACA will ensure community governments have a variety of options to leverage infrastructure funding.

What does MACA have to do to make this happen?

- Identify innovative approaches to infrastructure funding and ways to leverage funding from other sources
- Continue negotiations with the federal government on infrastructure funding agreements, such as the Municipal and Rural Infrastructure Fund (MRIF) and the Canada-NWT Gas Tax Transfer Agreement
- Determine feasibility of introducing regional shared services arrangements for solid waste sites and specialty equipment such as tire shredders and vehicle compactors
- Research feasibility of establishing a municipal financing authority for the NWT to pool community infrastructure resources
- Determine how to ensure all community governments have access to low cost borrowing for community infrastructure projects
- Examine partnership arrangements in other jurisdictions and how they might be used for projects in NWT communities
- Ensure all communities have short term and long term investment options for community infrastructure funding

What will change?

- Community governments will have a greater range of financing options
- Community governments will obtain greater value for their dollar
- Community governments will make decisions on infrastructure financing options
- Community governments will choose the investment approach that works best for their community

How will this benefit communities?

- Community governments will be able to pool funding from different sources to achieve their infrastructure goals
- Community governments will be able to explore options to work together to share facilities and equipment
- Community governments will be able to invest or borrow to fund infrastructure projects, in ways that the GNWT is not able to
- Community governments will be able to take advantage of opportunities to partner with other governments, community organizations and/or private industry to achieve their infrastructure goals

When will this happen?

- Changes to the legislation made in prior years already allow most community governments to borrow and invest.

- Starting on April 1, 2007 community governments will begin to receive capital funding which will give them the stable, predictable source of funding that is necessary for borrowing for community infrastructure projects
- Options for borrowing and investment pools will be introduced in 2007.

Activities:
MACA will designate all charter communities, hamlets, Tlicho communities as Municipal Taxation Authorities.

What does MACA have to do to make this happen?

- Develop an interim step to full Municipal Taxation Authority status, through the Property Taxation Revenue Grant Program. The program provides a grant equal to the property tax revenue collected in communities
- Develop the policy framework and administrative options for most non-tax-based communities to assume property taxation status
- Develop and deliver training programs for community governments on the administrative responsibilities associated with property taxation
- Provide training to community government councils on their roles and responsibilities for property taxation

What will change?

- Community governments will have the authority to make decisions on the amount of money that is raised through property taxation by setting the mill rate
- Community governments will get the revenue associated with property taxes from community residents, rather than the GNWT
- Community governments will make decisions on how the revenues received from property taxation are spent

How will this benefit communities?

- Community governments will have control over the amount of revenue that is collected through property taxation
- Communities can decide to raise property taxes for programs and services that are important to the community but are outside the community's present fiscal reality
- Community residents will see the benefit of the property tax dollars in their community

When will this happen?

- On January 1, 2008, all charter communities, hamlets and Tlicho communities will become Municipal Taxation Authorities.

OTHER INITIATIVES

2006 MACA Client Survey

In January 2006, MACA conducted a Client Survey designed to gauge the level of satisfaction with MACA programs and services. Approximately 223 clients from all communities in the NWT participated, including elected officials as well as community government employees.

Results from the survey show a 75 percent satisfaction rate with MACA programs and services. The Department has taken the following actions as part of our continuous improvement work with our clients:

- Client Satisfaction workshops have been completed in all regions with over 100 department staff attending;
- A Customer Service section has been added to the Department's Employee Information Manual, which is a reference guide for all MACA staff, to address a number of recommendations from both the Client Survey and Customer Service workshops;
- Staff training on effective customer service has been offered through the department's "Coffee Break" video series; and
- A working committee has been established to make recommendations and address existing/ outstanding concerns in the area of customer service.

The Department also intends to conduct the following actions:

- An annual survey with community governments;
- A MACA "Tip of the Week" addressing the area of customer service; and
- Hosting of Regional Staff Conferences to include:

    - Updates on Current department initiatives;
    - Regional Specific needs; and
    - Customer Service training.

Streamlining Land Administration

Streamlining a land management system continues to be a priority for the Department. Activities include proceeding with the transfer of leases to fee simple title where appropriate, and continuing the transfer of municipal lands to municipal governments.

Other departmental priorities include:

- Work on addressing policy issues associated with unoccupied use of Commissioner's Land;
- Clarifying land tenure status for community public infrastructure as part of the New Deal for NWT Community Governments; and
- Working with communities to prepare for the Affordable Housing Initiative of the Northwest Territories Housing Corporation.

The main focus of the Affordable Housing Initiative is to put new housing into communities where there is high demand. This includes the replacement of older, inefficient public housing units and the construction of new units.

MACA is assisting the NWT Housing Corporation in the delivery of the initiative by identifying vacant land within community boundaries, in consultation with the NWT Housing Corporation and community governments. The initiative started during the 2006 summer construction season and is expected to result in the delivery of approximately 530 new housing units over the next three years.

For further information, contact MACA's Regional Superintendent or the Northwest Territories Housing Corporation District Director in your area.

Building Community Capacity

MACA assists community governments, their staff and community organizations with capacity needs by providing relevant training and development opportunities. Training is provided in the following fifteen broad areas of community government responsibility:

- Community Administration;
- Community Airports;
- Community Finances;
- Community Fire Protection;
- Community Management;
- Emergency Preparedness;
- Governance;
- Information Technology;
- Land Administration;
- Public Safety;
- Recreation Facilities Operation;
- Search and Rescue;
- Water and Waste;
- Works; and
- Works Management.

Training events are customized to the specific needs of the community government and meet national and/or territorial certification standards. MACA is also working with the Local Government Administrators of the NWT, and the Department of Education, Culture and Employment, to find ways to promote careers in community government to NWT youth.

As part of the departmental work associated with the New Deal for NWT Community Governments, MACA is developing new training programs to assist and prepare communities to undertake new responsibilities for capital planning, project management, infrastructure maintenance and land administration. As implementation of the New Deal proceeds, MACA will continue to develop and deliver new training programs and other training opportunities to provide communities with supports they identify as priorities.

For further information, contact MACA's Regional Superintendent in your area.

Drinking Water Quality Framework and Action Plan

MACA is continuing its work with Health and Social Services, Public Works and Services and Environment and Natural Resources to ensure the effective management and administration of drinking water issues in the NWT through the Drinking Water Quality Framework and Strategy.

First implemented in 2006-2007, the Drinking Water Quality Framework and Strategy ensures the effective management and administration of drinking water issues, and outlines the actions associated with each safeguard, a general timeframe for implementation, and the government agencies involved. MACA is working to undertake its commitments in the Strategy by:

- Assisting communities with water license applications by familiarizing community staff with the process and helping to develop a plan that will ensure compliance.
- Providing courses and materials to train and certify community water treatment plant operators. Such training is available for both new and seasoned operators.
- Offer circuit rider training programs that provide community water treatment operators with hands-on training through a seasoned operator;
- Working with councils, administration and their staff members to develop a better understanding about water management issues through special governance training.
- Providing additional technical resources to help communities with water supply system upgrades;
- Reaffirming the importance of ongoing maintenance of water systems by developing and distributing daily operation and maintenance guidelines for water system operators.
- Providing ongoing monitoring and support to communities for water sampling by assisting water plant operators with procedures and hands-on training.

The Canada – Northwest Territories Gas Tax Agreement

Entered into in November 2005, the signing of the Gas Tax Agreement reflected the completion of significant work and collaboration between the Department and the NWT Association of Communities New Deal Working Group and Administrators New Deal Working Group. Both these organizations worked

with MACA throughout the negotiations on the Agreement and were instrumental in helping to determine the allocation formula for the funding available under the Agreement.

The five-year Funding Agreement provides communities with funding for environmentally sustainable municipal infrastructure, including:

- water and wastewater treatment and distribution
- solid waste sites
- active transportation infrastructure, including trails and sidewalks
- public transit
- dust control
- community energy systems
- capacity building

The Gas Tax Agreement provides a total of $37.5 million the Northwest Territories over the first five years of the agreement (2005-2006 to 2009-2010) with ongoing funding of $15 million per year after that. Funding allocations for the Northwest Territories during the first five years are as follows:

2005-2006	$4.5 million
2006-2007	$4.5 million
2007-2008	$6.0 million
2008-2009	$7.5 million
2009-2010	$15 million
	$37.5 million

MACA retains one percent of the funding (average of $75,000 per year) for administration of the Agreement and two percent of the funding ($90,000 in the first year to $300,000 in the fifth year) for capacity building. A Technical Committee comprised of MACA, GNWT and NWTAC representatives will be established to approve the use of capacity building funds.

MACA flows gas tax funding directly to communities, once an agreement is signed. Most communities received their 2005-2006 funding in March 2006 via a contribution agreement. However, a slightly different approach is required for Band Councils that have been designated as local authorities, and for settlements. Bands cannot own real property under the *Indian Act,* nor can Settlements under the *Settlement Act.* As a result, MACA is working to develop a contribution agreement that will allow these communities to access their gas tax funds. It is anticipated that funding (including the 2005-2006 allocation) will flow to Settlement Corporations and Designated Authorities in December 2006.

Under the terms of the Agreement, there are milestones scheduled for communities and the GNWT:

- Communities are required to complete a Capital Investment Plan by March 31, 2007 and an Integrated Community Sustainability Plan by March 2010. At this time, there is no approved format for these plans but MACA is working in partnership with communities to develop them.

- A template for the Integrated Community Sustainability Plan required under the Agreement must also be completed by March 31, 2007.

- A Sustainable Planning Workshop is being held November 22 to 24, 2006 for representatives from all NWT community governments. During the workshop, work will commence on a draft template that will be completed at a follow-up Governance workshop to be held in April 2007.

For communities, the requirements of the Gas Tax Agreement complement the work required to prepare for implementation of the New Deal for NWT Community Governments.

Integrated Community Sustainability Plans and Capital Investment Plans form important components of community planning, and will provide communities with a process and tool to identify priorities for capital spending. The Capital Investment Plans will be completed prior to communities receiving capital formula funding. Communities can combine their capital formula funding and their gas tax funding, to provide for projects that achieve community objectives.

GAS TAX ALLOCATIONS, BY COMMUNITY

The following table shows the allocation of funding under the Agreement for the period of 2005-2006 to 2009-2010:

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Allocation	4,500,000	4,500,000	6,000,000	7,500,000	15,000,000
1% Administration	75,000	75,000	75,000	75,000	75,000
2% Capacity Building	90,000	90,000	120,000	150,000	300,000
Available for distribution	**4,335,000**	**4,335,000**	**5,805,000**	**7,275,000**	**14,625,000**

Community	**2005-2006**	**2006-2007**	**2007-2008**	**2008-2009**	**2009-2010**
Aklavik	86,314	86,314	115,583	144,852	291,197
Behchoko	172,378	172,378	230,831	289,284	581,551
Colville Lake	52,542	52,542	70,359	88,176	177,261
Deline	82,160	82,160	110,021	137,882	277,185
Dettah	58,193	58,193	77,927	97,660	196,327
Enterprise	48,797	48,797	65,344	81,891	164,627
Fort Good Hope	80,867	80,867	108,289	135,711	272,820
Fort Liard	83,931	83,931	112,392	140,853	283,157
Fort McPherson	99,387	99,387	133,089	166,791	335,302
Fort Providence	100,204	100,204	134,183	168,162	338,058
Fort Resolution	79,301	79,301	106,192	133,083	267,537
Fort Simpson	129,754	129,754	173,754	217,754	437,752
Fort Smith	214,524	214,524	287,270	360,015	723,742
Gameti	63,572	63,572	85,130	106,687	214,474
Hay River	307,261	307,261	411,453	515,645	1,036,607
Hay River Reserve	63,640	63,640	85,221	106,801	214,704
Inuvik	287,515	287,515	385,012	482,508	969,991
Jean Marie River	48,116	48,116	64,432	80,749	162,330
Kakisa	46,754	46,754	62,609	78,463	157,736
Lutselk'e	71,062	71,062	95,159	119,256	239,742

GAS TAX ALLOCATIONS, BY COMMUNITY

Community	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Nahanni Butte	51,112	51,112	68,444	85,776	172,437
Norman Wells	101,089	101,089	135,368	169,648	341,044
Paulatuk	64,594	64,594	86,497	108,401	217,920
Sachs Harbour	51,521	51,521	68,991	86,462	173,815
Trout Lake	48,797	48,797	65,344	81,891	164,627
Tsiigehtchic	55,946	55,946	74,918	93,889	188,746
Tuktoyaktuk	112,120	112,120	150,139	188,159	378,256
Tulita	76,509	76,509	102,452	128,398	258,119
Ulukhaktok	72,015	72,015	96,436	120,856	242,958
Wekweeti	52,610	52,610	70,450	88,290	177,491
Whati	76,237	76,237	102,089	127,941	257,200
Wrigley	55,334	55,334	74,097	92,861	186,679
Yellowknife	1,340,844	1,340,844	1,795,525	2,250,205	4,523,608
Total Available	4,335,000	4,335,000	5,805,000	7,275,000	14,625,000

POLICY AND LEGISLATION INITIATIVES

Approved Changes

Community Organized Searches Policy

The Contributions for Community Organized Searches Policy provides communities with an ability to initiate a search before the official search is started or to extend a search after the official search is over when every possibility of finding the missing person alive has been exhausted.

Under this Policy, MACA has provided contributions to support community organized searches for missing persons to a maximum of $1,000. In recent years, communities have expressed concern about the level of funding available under the Policy, noting that it does not provide sufficient assistance to cope with the financial burden of participating in community assisted searches.

Effective June 15, 2006, MACA amended the Contributions for Community Organized Searches Policy to allow for a maximum contribution of $10,000 rather than $1,000 to support community organized searches. To apply for assistance from this Policy, a community must make a written request to the Deputy Minister of MACA for assistance with eligible costs. Eligible costs include items such as aircraft charters, groceries, fuel for equipment, lubricants and minor machine parts.

For more information about the Contributions for Community Organized Searches Policy, please contact your MACA Regional Superintendent or refer to the MACA website at http://www.maca.gov.nt.ca/.

Under Review

Planning Act Review

The Planning Act provides community governments with the tools and authority to plan for the future development of their communities. The Planning Act requires review because it needs to be modernized, less prescriptive and more responsive to the needs, values and available resources within communities.

MACA released a discussion paper, in the spring of 2006, in order to solicit feedback from community governments and residents on possible revisions to the Act. The discussion paper was prepared in consultation with the Northwest Territories Association of Communities and was distributed to all communities in May 2006. Community governments, residents and other stakeholders were asked to provide their comments on the discussion paper by July 31, 2006.

MACA is currently reviewing the feedback received from all stakeholders. Once this review is complete, MACA will prepare to move forward with legislative changes. The timeframe for these changes depends on the scope of the amendments, if there is a need for further consultation with stakeholders and other departmental policy and legislative priorities.

MACA would like to extend its thanks to those community governments and other stakeholders who took the time to provide their comments and feedback on the discussion paper.

Disaster Assistance Policy Review

The Disaster Assistance Policy is intended to assist community governments, small businesses and residents to recover from the effects of a disaster. The Policy was first created in 1992 with only minor revisions since that time.

Responding to community concerns about the Policy, including the time required to review and process disaster-related claims, MACA has initiated a review of the Policy. MACA will consult with communities on the proposed changes prior to the finalization of the revised policy.

Local Authorities Elections Act Review

The current Local Authorities Elections Act dates from 1988. Since that time, only minor revisions have been made including the appointment of a Chief Municipal Electoral Officer- a position staffed within MACA to exercise general direction and supervision over the administrative conduct of local authority elections.

In recent years, community governments have requested that MACA review and make changes to the Local Authorities Elections Act. In response, MACA has committed to undertake a review of the Act. The Department anticipates developing a discussion paper that will assist in collecting feedback from communities on how the Act should be amended to ensure that elections are conducted in the most appropriate manner. MACA anticipates that the discussion paper will be available for stakeholders in 2007.

APPENDIX A

CALCULATION OF COMMUNITY GOVERNMENT OPERATIONS AND MAINTENANCE FUNDING

The following formula has been used to calculate the operations and maintenance (O&M) funding allocations for each community in 2007-2008.

The three factors used to determine funding allocations are:

- Population percentage – The community population as a percentage of the total NWT population.
- Community Infrastructure Indicator – The assessed value of all properties within a community boundary from the Assessment Roll. Where assessment is not done, the Community Infrastructure Indicator will be determined using a statistically valid estimate.
- Northern Cost Index (NCI) – A factor that is specifically designed to determine community governments' relative costs. The NCI adjusts funding allocation to reflect the differing costs of community government goods and services in NWT communities.

The formula essentially determines a proportionate share of the total formula-based funding amount for each community government. The formulas used by MACA to determine the total formula-based funding amount for each community government are:

To determine the community points for each community and the sum of all communities' points:

For Settlements and designated Bands
Community Points = [14,534,779 x Population % + 0.00425 x Infrastructure Indicator + 222,982] x NCI

For all other communities
Community Points = [13,458,723 x Population % – 0.00130 x Infrastructure Indicator + 482,672] x NCI

To determine the community's appropriate share (expressed as a percentage):

Community's Proportionate Share (%) = Community Points/Sum of All Communities Points

To determine the formula-based funding amount:

Community's Formula-Based Amount = Proportionate Share X MACA's Formula-based Funding Budget

Municipal and Community Affairs enters into a Memorandum of Understanding (MOU) with each community government to distribute formula based funding. The MOU outlines the funding projections, the responsibilities and the financial reporting requirements.

APPENDIX B

HOW MACA DETERMINES FORCED GROWTH FOR O&M

Every year MACA provides all eligible community governments with annual funding to assist with the provision of municipal programs and services, as well as minor community infrastructure. The Department uses the Community Government Funding Policy and the Formula-Based Funding Policy to determine the amount of funding received by each community government.

The term 'Forced Growth' refers to the adjustments made to the formula based funding received by community governments. These adjustments are intended to help cover the hard-to-control increases in community government costs.

The Forced Growth calculation includes two components:

- Adjustments for identified uncontrollable increased costs; and
- Adjustments for new infrastructure.

The following factors are used to determine adjustments for identified uncontrollable increased costs:

- Northwest Territories Population – changes in population will affect community government costs;
- Consumer Price Index for Fuel – changes in fuel prices will affect community government costs; and
- Salaries/Wages Indicator – increases in salaries and wages will affect community government costs.

With the exception of the new infrastructure and salaries/wages data, all of the information used to calculate Forced Growth is taken from the Northwest Territories Bureau of Statistics. For information on new community infrastructure, the Department uses the MACA capital plan. For the salaries/wages data, the Department uses historical information outlining percent increases in Government of the Northwest Territories wages as calculated by the Financial Management Board Secretariat.

The Department prepares forced growth recommendations for funding related to the Policy for GNWT consideration every two years, most recently to funding to be provided to community governments in 2007-2008. Formula funding in 2007-2008 reflects minor changes made to the formula as well as the updating of the Northern Cost Index. Please refer to Appendix A for detailed information on how community government formula based funding is calculated.

Forced growth funding is provided to all community governments on a proportionate basis.

APPENDIX C

CALCULATION OF CAPITAL FORMULA FUNDING

The capital formula is a "base plus" approach, comprised of a base amount and the reminder allocated through a formula.

Each community will receive two percent of the total available fund of $28 million; this equates to $560,000 per community as a base amount.

The remainder of the $28 million is allocated using a formula which includes the current replacement value for the community's infrastructure and the community's population, as follows:

Calculation of the community public infrastructure funding amounts

To determine the base funding amount for each community:

Base Funding = 2% X MACA's Community Public Infrastructure Funding Budget

To determine the Community Points for each community:

$$\text{Community Points} = \frac{90{,}000{,}000\ (\text{community \% population})^{-0.4612}}{20\ \text{years}} \times \text{Community \% Population}$$

To determine the community's proportionate share:

$$\text{Community's Proportionate Share} = \frac{\text{Community Points}}{\text{Sum of All Communities Points}}$$

To determine the community public infrastructure funding amount:

Community's Capital Funding Amount = Proportionate Share X [(MACA's Budget – (Base Amount x Total # of communities)] + Base Amount

APPENDIX D

CALCULATION OF COMMUNITY GOVERNMENT WATER AND SEWAGE SERVICES FUNDING

The following information outlines the process used by MACA to determine the water/sewer funding allocations starting in 2007-2008:

Step 1 + Step 2 - Step 3 = The total funding that MACA will provide as support to communities to support water/sewer operations.

Step 1: Determine fixed costs

Determine fixed costs of water treatment plants, sewage treatment facilities, trucked water delivery, trucked collection of sewage. Fixed costs include labour, rates and hours; fuel and power consumption; repair and maintenance costs. Population figures are used in the calculation of fixed costs for trucked water delivery and trucked collection of sewage.

All the fixed costs are added together to determine the non-volume dependent costs for water and sewer facilities (i.e. the fixed cost of operating the system before any water is delivered or sewage is disposed of).

Step 2: Determine variable costs

Variable costs include the following:

- trucked fuel costs – the model assumes the standard volume of water (90 litres per person per day on a trucked system), the cost of fuel in the community and the amount of fuel required to deliver a standard volume of water in the community (based on Fort Providence's fuel consumption).
- water treatment plant and sewage treatment plant heating cost components: The type of water/ sewer system determines the volume of heating fuel required to heat the system. Based on that standard volume of heating fuel, a community specific cost can be determined using the community specific heating fuel costs.
- water treatment plant and sewage treatment plant power costs: a standard volume of power required to operate each type of system is determined, this figure is then adjusted to reflect the community specific per kilowatt hour costs.
- piped system fuel and power costs: where there is piped infrastructure, the fuel required to temper the standard volume of water (225 litres) per person per day and the power required to pump this volume of water through a piped system are both determined, and then adjusted to reflect the community specific power and fuel costs. Based on Fort Smith's fuel consumption and power costs.

- using the analytical basis of the November 2004 Building Healthy Communities Report, two percent of the capital cost of the system is assumed to be budgeted for repair and maintenance costs.
- an assumption of 9 percent of the total of Step 1 and Step 2 is used to determine an administration overhead for delivery of the water/sewer program.

Step 3: Determine revenue

Each community has the ability to collect revenue from their water/sewer program through customer charges. Based on MACA's historical data and the prior policy, an adjustment is made to the standard fixed costs to adjust for the revenue that a community could receive towards the cost of operating their system.

CONTACT INFORMATION

Please contact your Regional Superintendent or email newdeal@gov.nt.ca for more information on any of MACA's funding programs:

Dehcho Region
Liza McPherson
Liza_mcpherson@gov.nt.ca
867-695-7220

Inuvik Region
John Picek
John_picek@gov.nt.ca
867-777-7120

North Slave Region
Terry Testart
Terry_testart@gov.nt.ca
867-392-6900 or 867-920-8066

Sahtu Region
Barry Harley
Barry_harley@gov.nt.ca
867-587-7105

South Slave Region
Lorraine Tordiff
Lorraine_tordiff@gov.nt.ca
867-872-6528 or 867-874-5077